

Department of Social and Health Services

**DP Code/Title: M2-LR Alloc of Admin Reduct to Programs**  
**Program Level - 110 Admin & Supporting Svcs**

Budget Period: 2003-05 Version: 11 2003-05 Agency Request Budget

**Recommendation Summary Text:**

This decision package distributes the administrative reductions provided in the 2002 Supplemental to all Department of Social and Health Services (DSHS) programs.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 110</b>			
001-1 General Fund - Basic Account-State	4,497,000	4,497,000	8,994,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	2,950,000	2,950,000	5,900,000
<b>Total Cost</b>	<b>7,447,000</b>	<b>7,447,000</b>	<b>14,894,000</b>

**Staffing**

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
<b>Program 110 FTEs</b>	<b>(30.5)</b>	<b>(30.5)</b>	<b>(30.5)</b>

**Package Description:**

In the 2002 Supplemental, administrative reductions totaling \$10,490,000 (\$7,050,000 GF-S) were placed in the Administration and Supporting Services, Program 110 portion of the department's budget in two separate budget steps:

1. IT Systems Streamlining - \$2,503,000 (\$1,503,000 GF-S). This step was intended to achieve savings through reduced utilization of information services and also through reduced prices and economies of scale for bulk IT equipment purchases.
2. Administrative Reductions - \$7,987,000 (\$5,547,000 GF-S). The department was allowed the flexibility of administering this cut in either "central administration" or across administrative functions throughout the agency.

This decision package distributes the administrative reductions among all programs.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

This decision package contributes to the agency goal of accounting for use of public dollars.

***Performance Measure Detail***

**Goal:**

**Incremental Changes**  
**FY 1** **FY 2**

***Reason for change:***

The administrative reduction totaling \$10,490,000 represents cost savings measures identified by all programs in DSHS. Currently, the entire administrative reduction is in the Administration and Supporting Services Division's budget (Program 110).

***Impact on clients and services:***

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---

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None

***Impact on other state programs:***

All programs are impacted.

***Relationship to capital budget:***

None

***Required changes to existing RCW, WAC, contract, or plan:***

Not applicable

***Alternatives explored by agency:***

No alternatives were explored as DSHS is implementing the administrative reductions provided in the 2002 Supplemental.

***Budget impacts in future biennia:***

This administrative reduction will carry forward into future biennia.

***Distinction between one-time and ongoing costs:***

There are no costs associated with this decision package.

***Effects of non-funding:***

Not applicable

***Expenditure Calculations and Assumptions:***

See attachment - AW M2-LR Alloc of Admin Reduct to Programs.xls

<b><u>Object Detail</u></b>	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Program 110 Objects</b>			
A    Salaries And Wages	2,544,916	2,544,916	5,089,832
B    Employee Benefits	1,111,568	1,111,568	2,223,136
E    Goods And Services	3,644,482	3,644,482	7,288,964
G    Travel	(5,137)	(5,137)	(10,274)
J    Capital Outlays	(29,500)	(29,500)	(59,000)
N    Grants, Benefits & Client Services	(2,344)	(2,344)	(4,688)
P    Debt Service	(8,783)	(8,783)	(17,566)
T    Intra-Agency Reimbursements	191,798	191,798	383,596
<b>Total Objects</b>	<b>7,447,000</b>	<b>7,447,000</b>	<b>14,894,000</b>

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**DSHS Source Code Detail**

Program 110		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	4,497,000	4,497,000	8,994,000
<i>Total for Fund 001-1</i>		<b>4,497,000</b>	<b>4,497,000</b>	<b>8,994,000</b>
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<u>Sources</u>	<u>Title</u>			
19UL	Title XIX Admin (50%)	2,950,000	2,950,000	5,900,000
<i>Total for Fund 001-C</i>		<b>2,950,000</b>	<b>2,950,000</b>	<b>5,900,000</b>
<b>Total Program 110</b>		<b>7,447,000</b>	<b>7,447,000</b>	<b>14,894,000</b>